

# Washington State Tax Structure Study Work Plan

Revised 2/8/02

November, 2001

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<i>"...the Committee shall review previous studies regarding the tax system in this state..."</i>	<ul style="list-style-type: none"> <li>History of Washington's tax structure</li> <li>Previous tax studies in Washington</li> <li>Lessons learned from previous tax studies</li> </ul>	<ul style="list-style-type: none"> <li>Washington's tax history</li> <li>Previous tax studies (Spitzer, Burrows)</li> <li>Overview of tax principles (Bruce)</li> </ul>	DOR: Summary of previous studies -- What passed? What didn't?	Key features of Washington's tax structure: What's good? What's a problem?

December, 2001

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<i>"In developing alternatives, the committee shall be guided by administrative simplicity, economic neutrality, fairness, stability, and transparency."</i>  <i>"...study the elasticity, equity, and adequacy of the state's tax system..."</i>	<ul style="list-style-type: none"> <li>How do you define and measure these tax principles?</li> <li>What does "fairness" mean?</li> <li>Where do regressive and progressive fit in?</li> </ul>	<ul style="list-style-type: none"> <li>Roundtable discussion of each principle</li> <li>Decision: How does the committee want to measure each principle for its evaluation of Washington's tax structure and alternatives?</li> </ul>	Subcommittee of economists  Subcommittee on "taxpayer perception"	

January, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<p>“In developing alternatives, the committee shall be guided by administrative simplicity, economic neutrality, fairness, stability, and transparency.”</p> <p>“...study the elasticity, equity, and adequacy of the state’s tax system...”</p>	<ul style="list-style-type: none"> <li>Continued discussion on questions we will study/principles.</li> <li>Competitiveness Council Directions</li> <li>What changes are other states considering?</li> <li>What has led to change elsewhere?</li> </ul>	<ul style="list-style-type: none"> <li>Competitiveness Council Report</li> <li>Discussion of study questions</li> <li>Presentation on other states (DOR)</li> </ul>	<p>DOR: Information on proposed tax changes in other selected states</p>	

February, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<p><i>“study the elasticity...adequacy of the state’s tax system”</i></p> <p>“The purpose of the study is to determine how... (the tax system) might be changed to serve the citizens of the state in the twenty-first century.”</p>	<ul style="list-style-type: none"> <li>Elasticity</li> <li>Stability</li> <li>Adequacy</li> </ul>	<ul style="list-style-type: none"> <li>Findings on elasticity and stability (DOR)</li> <li>Findings on adequacy (OFM, Senate Ways and Means Staff)</li> <li>Discussion on findings for each principle; possible alternatives.</li> </ul>	<p>Office of Financial Management</p> <p>Senate &amp; House Committee Staff</p>	<p>Comments on findings and committee discussion.</p>

March, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<p>“To the extent possible, the alternatives shall be designed to...<i>encourage commerce and business creation...</i>”</p> <p>“Develop multiple alternatives that <i>increase harmony between tax systems of this state and its border states</i>”</p>	<p>Economic vitality</p> <p>Harmony with other states</p>	<ul style="list-style-type: none"> <li>• Findings on economic vitality</li> <li>• Findings on harmony with other states</li> <li>• Internet Taxation</li> <li>• Border tax issues</li> <li>• Discussion on findings for each principle; possible alternatives.</li> </ul>	<p>DOR staff</p> <p>John Beck—border issues</p>	<p>Comments on findings and committee discussion</p>

April, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<p>“To the extent possible, the alternatives shall be designed to...<i>encourage home ownership...</i>”</p> <p><i>The development of alternatives shall be guided by administrative simplicity...transparency</i></p>	<ul style="list-style-type: none"> <li>• Home ownership</li> <li>• Transparency/lumpiness</li> <li>• Administrative simplicity</li> </ul>	<ul style="list-style-type: none"> <li>• Findings on home ownership tax issues</li> <li>• Impact Fees</li> <li>• Findings on transparency/lumpiness</li> <li>• Findings on administrative simplicity</li> <li>• Discussion on findings for each principle; possible alternatives.</li> </ul>	<p>Washington Research Council</p> <p>DOR staff</p>	<p>Comments on findings and committee discussion</p>

May, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<i>The development of the alternatives shall be guided by ...economic neutrality...fairness</i>	<ul style="list-style-type: none"> <li>• Efficiency/economic neutrality</li> <li>• Equity</li> </ul>	<p><i>This may need to be a longer meeting.</i></p> <ul style="list-style-type: none"> <li>• Findings on economic neutrality/efficiency</li> <li>• Findings on equity</li> <li>• Fees and charges</li> <li>• Discussion on findings for the principles; possible alternatives.</li> <li>• Discussion on how to develop alternatives.</li> </ul>	<p>DOR staff</p> <p>Subcommittee of economists</p>	<p>Comments on findings and committee discussion</p>

June, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<p><i>“the purpose of the study is to determine how well the current tax system functions...”</i></p> <p><i>“The alternatives shall range from incremental improvements in the current tax structure...”</i></p>	<ul style="list-style-type: none"> <li>• Report card on current tax system</li> <li>• Start work on alternatives</li> </ul>	<ul style="list-style-type: none"> <li>• Present and discuss report card on current tax system.</li> <li>• Begin work on alternatives starting with incremental changes to the existing structure.</li> </ul>	DOR staff	Comments on the report card and incremental changes to existing tax structure.

July, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
“...the alternatives shall range from incremental improvements... <i>to complete replacement of the tax structure...</i> ”	<ul style="list-style-type: none"> <li>Work on alternatives</li> </ul>	<ul style="list-style-type: none"> <li>Discuss “replacement” alternatives</li> </ul>	DOR staff	Comments on replacement alternatives

August, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
“...the alternatives shall range from incremental improvements... <i>to complete replacement of the tax structure...</i> ”	<ul style="list-style-type: none"> <li>Work on alternatives</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate alternatives</li> <li>Begin to “package” alternatives around themes (i.e. encourage home ownership; encourage commerce and business creation, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>DOR staff</li> </ul>	<ul style="list-style-type: none"> <li>Comments on “packages”</li> </ul>



September, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
“...the alternatives shall range from incremental improvements...to complete replacement of the tax structure...”	<ul style="list-style-type: none"> <li>Finalize alternatives</li> </ul>	<ul style="list-style-type: none"> <li>Finish packaging of alternatives</li> </ul>	DOR staff	Comments on alternatives

October, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
“...the alternatives shall range from incremental improvements...to complete replacement of the tax structure...”	<ul style="list-style-type: none"> <li>Final report</li> </ul>	<ul style="list-style-type: none"> <li>Review final report</li> </ul>	DOR staff	Comments on final report

November, 2002

Committee Charge	Theme/Focus	Possible Agenda Items	Resources	Advisory Group
<i>“...the Committee shall present a final report of its findings and alternatives...by November 30, 2002.”</i>	<ul style="list-style-type: none"> <li>Finalize the report</li> </ul>	<ul style="list-style-type: none"> <li>Finalize report</li> <li>Discuss presentation to the Legislature</li> </ul>		